

2005 DRAFTING REQUEST

Bill

Received: **10/05/2004**

Received By: **csundber**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Percy**

This file may be shown to any legislator: **NO**

Drafter: **csundber**

May Contact: **Commerce analysts**

Addl. Drafters:

Subject: **Occupational Reg. - prof lic**

Extra Copies:

Submit via email: **NO**

Pre Topic:

DOA:.....Percy, BB0093 -

Topic:

Real estate brokers' trust accounts: change Administration refs to Commerce

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?							
/P1	csundber 10/06/2004	wjackson 10/30/2004	jfrantze 11/01/2004	_____	lemery 11/01/2004		

FE Sent For:

<END>

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/?	csundber	p1 wLj 10/30	J 11/1	Jb / Ra 11/1			

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Medium

IBRETA Technical Change. The transfer of the Bureau of Housing from the Department of Administration to the Department of Commerce should have made a technical change to require real estate brokers to pay IBRETA funds to Commerce.

In 1993, the Wisconsin Legislature passed a law requiring real estate brokers to establish interest-bearing real estate trust accounts for the deposit of all down payments, earnest money deposits and other trust funds received by the broker and related to the conveyance of real estate. On an annual basis, the interest from IBRETA accounts are remitted to the state and are used to supplement state and federal funds that support programs serving homeless persons. Between \$300,000 and \$450,000 is remitted annually. To date, the IBRETA funds have been directed to the Department of Administration, the agency that housed the programs serving homeless persons.



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-0430/P1

CTS:.....

WJ

DOA:.....Percy, BB0093 - Real estate brokers' trust accounts: change
Administration refs to Commerce ✓

FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION ✓

10/6/04

DO NOT GEN

1 AN ACT ...; relating to: the budget. ✓

Analysis by the Legislative Reference Bureau

heading

→ COMMERCE AND ECONOMIC DEVELOPMENT

Commerce administers grants to alleviate homelessness. The grants are funded by the interest from client trust accounts that real estate brokers are required to maintain. Current law requires that the interest be paid to DOA. This bill requires that the interest be paid to Commerce.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 SECTION 1. 452.13 (2) (b) 3. ✓ of the statutes is amended to read:

3 452.13 (2) (b) 3. Furnish the department of regulation and licensing with a
4 letter authorizing the department of regulation and licensing and the department
5 of ~~administration~~ commerce to examine and audit the interest-bearing common
6 trust account whenever the department of regulation and licensing or the
7 department of ~~administration~~ commerce considers it necessary.

1 **SECTION 2.** 452.13 (2) (bm) of the statutes is amended to read:

2 452.13 (2) (bm) The department of regulation and licensing shall forward to the
3 department of ~~administration~~ commerce the information and documents furnished
4 under par. (b).

History: 1981 c. 94, 391; 1985 a. 305; 1987 a. 399; 1989 a. 307; 1991 a. 221; 1993 a. 33.

5 **SECTION 3.** 452.13 (2) (d) of the statutes is amended to read:

6 452.13 (2) (d) The department of ~~administration~~ commerce is the beneficial
7 owner of the interest accruing to the interest-bearing common trust account, minus
8 any service charges or fees.

History: 1981 c. 94, 391; 1985 a. 305; 1987 a. 399; 1989 a. 307; 1991 a. 221; 1993 a. 33.

9 **SECTION 4.** 452.13 (2) (e) 1. of the statutes is amended to read:

10 452.13 (2) (e) 1. Annually, before February 1, remit to the department of
11 ~~administration~~ commerce the total interest or dividends, minus service charges or
12 fees, earned on the average daily balance in the interest-bearing common trust
13 account during the 12 months ending on the previous December 31. A depository
14 institution is not required to remit any amount if the total interest or dividends for
15 that period is less than \$10 before any deduction for service charges or fees.

History: 1981 c. 94, 391; 1985 a. 305; 1987 a. 399; 1989 a. 307; 1991 a. 221; 1993 a. 33.

16 **SECTION 5.** 452.13 (2) (e) 2. of the statutes is amended to read:

17 452.13 (2) (e) 2. When the interest remittance is sent, furnish to the
18 department of ~~administration~~ commerce and to the broker maintaining the
19 interest-bearing common trust account a statement that includes the name of the
20 broker for whose account the remittance is made, the rate of interest applied, the
21 amount of service charges or fees deducted, if any, and the account balance for the
22 period that the statement covers.

History: 1981 c. 94, 391; 1985 a. 305; 1987 a. 399; 1989 a. 307; 1991 a. 221; 1993 a. 33.

23 **SECTION 6.** 452.13 (2) (f) 2. of the statutes is amended to read:

452.13 (2) (f) 2. May not assess a service charge or fee for an interest-bearing common trust account against the department of ~~administration~~ commerce.

History: 1981 c. 94, 391; 1985 a. 305; 1987 a. 399; 1989 a. 307; 1991 a. 221; 1993 a. 33.

SECTION 7. 452.13 (2) (f) 3. of the statutes is amended to read:

452.13 (2) (f) 3. May deduct a service charge or fee from the interest earned by an interest-bearing common trust account, and if a balance remains, may deduct the remaining charge or fee from the interest earned on any other interest-bearing common trust account maintained in that depository institution, before remitting interest to the department of ~~administration~~ commerce.

History: 1981 c. 94, 391; 1985 a. 305; 1987 a. 399; 1989 a. 307; 1991 a. 221; 1993 a. 33.

SECTION 8. 452.13 (5) of the statutes is amended to read:

452.13 (5) RULES. In consultation with the department of regulation and licensing, the department of ~~administration~~ commerce shall promulgate rules necessary to administer this section.

History: 1981 c. 94, 391; 1985 a. 305; 1987 a. 399; 1989 a. 307; 1991 a. 221; 1993 a. 33.

SECTION 9108. Nonstatutory provisions; commerce.

(1) REAL ESTATE TRUST ACCOUNTS. All rules promulgated under section 452.13 of the statutes by the department of administration that are in effect on the effective date of this subsection remain in effect until their specified expiration date or until amended or repealed by the department of commerce.

(END)



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-0430/P1

CTS:wlj:jf

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